

Authorisation under Article 6: why, what and when?

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Based on “The birth of an ITMO: authorisation under Article 6 of the Paris Agreement”, L. Lo Re, J. Ellis, and S. Greiner (2022, draft)





Outline

- Context – why is authorisation important?
- What is to be authorised under Article 6 ... and when?
- Implications for reporting
- Changes to authorisations
- Conclusions

Context – why is authorisation important?



- Key aspects of authorisation:
 - Pre-requisite to participating in Article 6.2
 - Leads to corresponding adjustments for first transferring Party
 - Triggers reporting of Initial Report
- Important aspect of Article 6.2 cooperation, nationally and internationally...
- Authorisation was mentioned, but not defined, in Article 6.2 guidance from COP26
- ... but is not clear exactly what authorisation applies to, when it occurs, whether needed by the acquiring party



What is authorised under Article 6 ?



3 Elements of authorisation

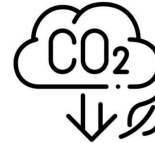
1

Cooperative Approach



2

ITMOs for a use



3

Participating Entities



time

MO lifecycle

Implementation of coop. appr.,
A6.4 activity

Occurrence of MO

ITMO
transfer

ITMO use

Cooperative approach

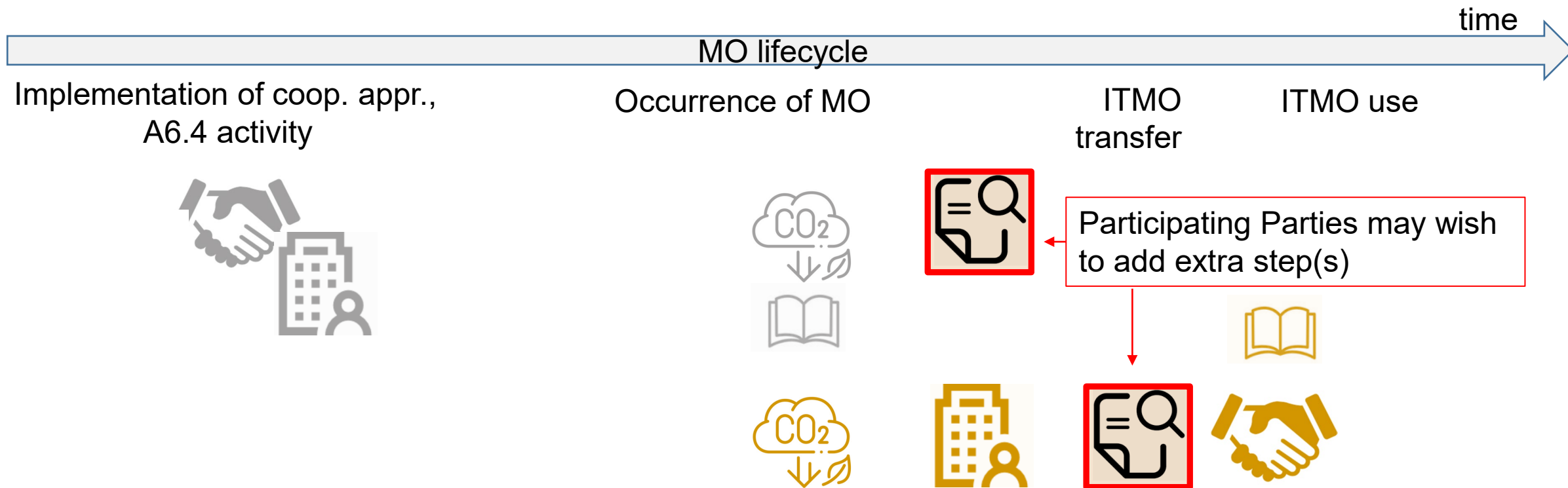
ITMOs for a use

Participating entities



... and when?

- Multiple different interpretations of current text possible, and likely ... unless further guidance is provided





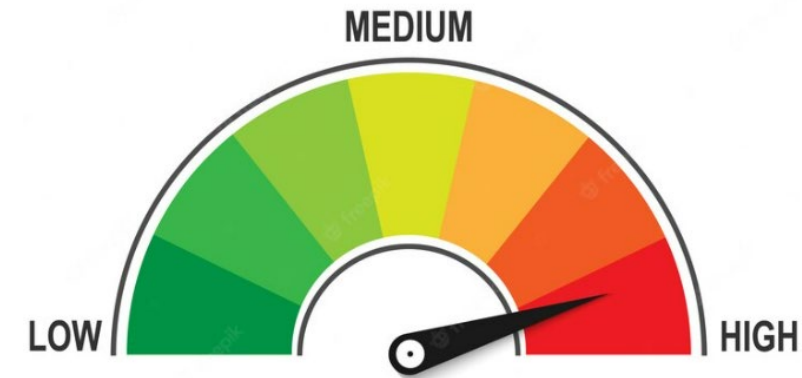
Information on authorisation needs to be reported

- Reporting is needed via multiple vehicles (initial report, annual information, regular information), multiple years
- But what exact information on authorisation needs to be reported ... and in what format... is not clear (qualitative, as well as quantitative information?)
- Comparability, consistency of content and timing of Party reports would be improved by further clarity on how to interpret authorisation



Changes to authorisations

- Changes to authorisations are to be reported in Parties' regular information
- Whether changes are needed depends on when in the MO lifecycle authorisation occurs
- Possible changes range from:
 - Administrative changes (no significant impact)
 - Substantive changes (possible impact on ITMO use, number of ITMOs transacted)
- Guidance on how to address which sort of changes would be helpful (c.f. precedent from CDM)





Conclusions

- Authorisation an important component of A6.2 ... but currently not well defined
- Some aspects of international A6.2 guidance could usefully be clarified e.g. by CMA in the short term :
 - what “authorisation” refers to (and by whom)
 - when authorisation occurs
 - which aspect of authorisation triggers reporting
- This would improve comparability and consistency, facilitate “double book keeping” of corresponding adjustments
- Longer-term guidance on how to address possible changes to authorisations would also be useful



THANK YOU!

Climate Change Expert Group



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